

Date: January 11, 2002
Memo To: Conservation District Procedure Manual Holders
From: Bob Bottman, Grants Officer
Subject: Revision 52 – Revised Section 360 ADM, Part 4-B (*relating to employee time sheets*); and Revised Composite Rate Form (Appendix E)

Purpose of this revision

To add a requirement that employee time sheets be included with each payment request under all Commission grant contracts beginning January 1, 2002, and to provide a revised composite rate form.

Summary of revision

This revision:

1. Changes Section 360 ADM, Part 4 – Financial Procedures, of the *Grants Program Administrative Procedures*. This change requires that employee time sheets be included with all payment requests submitted for reimbursement under Commission grants, and also specifies what information must be on the time sheets.
2. Replaces the current Appendix E to the *Grants Program Administrative Procedures* with a revised form to be used to calculate the composite hourly rate.

Instructions to Conservation District Procedure Manual holders: This is revision number fifty-two to the Conservation District Procedure Manual. If you do not have an updated manual or manual binder, contact your field operations manager.

1. Insert this purple cover memo behind the “Revisions” tab, in front of the cover memos from all other revisions.
2. Fill in the blanks after line 52 on the Index of Manual Revisions as follows:

#	Section	Subject	Date	Who
52	360 ADM	<i>Employee Time Sheets and Composite Rate worksheet</i>	<i>Date inserted</i>	<i>Your initials</i>

3. In Section 360 ADM, remove and recycle old Part 4, Financial Procedures in its entirety (this consists of three pages printed on both sides, plus one single-sided page).
4. In Section 360 ADM, insert new Part 4, Financial Procedures (again, this consists of three pages printed on both sides, plus one single-sided page).
5. In Section 360 ADM, remove and recycle old Appendix E, composite hourly rate worksheet.
6. In Section 360 ADM, insert new Appendix E, composite hourly rate worksheet.

PART 4 - FINANCIAL PROCEDURES

PART 4-A FISCAL MANAGEMENT

Standards for Fiscal Systems The District must expend and account for project funds in accordance with state laws and its own procedures. District and subcontractor accounting procedures must:

1. Provide accurate and complete disclosure of the financial results of projects in accordance with all financial reporting procedures of the Grant Contract.
2. Identify the source and application of project funds. Records must contain copies of all contracts, contracts, authorizations, obligations, assets, liabilities, expenditures, and income.
3. Provide effective internal control and accountability for all project cash, real and personal property, and other assets. Districts must adequately safeguard all such property and assure that it is used solely for authorized purposes.
4. Conform to the Project Budget. Actual expenditures must be in accordance with line items in the Grant Contract Budget.
5. Conform with applicable costs principles detailed in all terms of the Grant Contract.
6. Maintain appropriate supporting source documentation. This includes canceled checks, invoices, purchase receipts, payrolls, time and attendance records, contract award documents, and vouchers sent to the Commission.

Standards for Accounting Records

Required accounting records include the following or their equivalent:

1. **General Ledger**, which classifies, records, and summarizes all accounting transactions relevant to the project.
2. **Accounts Receivable Ledger**, which records all funds (cash, checks, money orders) received by the District.
3. **Accounts Payable Ledger**, which records all expenditures made by the District, including date, warrant or voucher number, payee, and purpose of the payment.

The District will maintain books, records, documents, and other evidence of accounting procedures and project policies and practices that are sufficient to permit the preparation of reports required by the state of Washington and to permit the tracking of funds to a level of expenditure adequate to ensure that the funds have been spent in accordance with federal and state laws, regulations, policies, procedures, and the Grant Contract. These records will be subject at all reasonable hours to inspection, review or audit by the Commission or designated state officials and the Office of the State Auditor.

PART 4-B PAYMENT REQUESTS

Standards for Payment Unless the District requests an Initial Payment, all Grant Contract funds will be disbursed as reimbursement for costs or obligations incurred. Districts are expected to make payments to subcontractors on a costs reimbursement basis only.

Supporting Documentation of Costs The District will maintain the following support documentation for each reimbursement request in a separate Grant Contract file that will be kept for three years after the expiration date of the Grant Contract:

1. Salary and benefit rate sheets for each employee working under that Grant Contract will be submitted with the first reimbursement request and updated when there is a change.
2. Signed copies of employee time sheets with the grant hours worked and the accompanying math used to reach the salary amount requested.
3. State travel vouchers signed by the claimant and approved by an authorized District signer. If applicable, copies of lodging receipts must be attached.
4. Copies of proof of expenditures for non-personnel costs incurred such as invoices, bills, receipts, or canceled checks.
5. In-kind time contributions must be supported by a Contributed Services Report Form or similar document showing the dates and hours worked, description of work performed, and the contributing person's signature certifying their time.
6. In-kind time contributions at an hourly rate other than the prevailing rate (\$18.00 per hour) must be accompanied by a letter from the contributing agency describing the basis for the rate used.
7. In-kind contributions of donated supplies, donated property and loaned equipment or space must be supported by a letter from the contributing agency describing the basis for the value of the contribution and certifying the amounts claimed.

Submitting Supporting Documentation of Costs

1. With the **first** reimbursement request – The District will submit the supporting documentation listed above with the first reimbursement request submitted under the Grant Contract and for the first request for payment whenever there is a change in the District staff person responsible for preparing the request for payments.
2. With **all** reimbursement requests (*Note: This is a new requirement*) – Employee time sheets must be submitted with each voucher. Also, whenever travel reimbursement is requested, the District must submit travel expense vouchers.
3. Composite salary rate information must be updated and submitted when there is a change. The Commission may also request that the District submit supporting

documentation if problems or questions arise; and at random at least once during the Grant Contract period.

Submitting Payment Requests Districts must submit payment requests at least quarterly, but no more than once per month.

In completing payment requests, Districts must use the vouchering format outlined in this section. In most cases, the District's own spreadsheet/forms will be accepted in place of the standard forms, as long as all required information is presented in the format as it would be on the standard forms.

Payment Requests will be processed according to the following description of all forms used for documentation of costs. Blank samples of each form can be found in the Appendices.

Authorized Signatures Form *(See Appendix C)*

An Authorized Signatures Form must be on file at the Commission office before Invoice Vouchers can be processed or paid. An Authorized Signatures Form lets us at the Commission know who in your district is authorized by the chair to sign invoice vouchers, amendments, travel vouchers, etc.

Invoice Voucher Support Form - Detail Page *(See Appendix D)*

The Detail Page breaks down project expenses according to the Grant Contract budget categories. Each cash and in-kind expense is itemized on this page according to the relevant budget categories. Totals from this form are transferred to the Summary Page.

It is on this form that the District identifies whether it uses the Gross Wages or Composite Hourly Rate method for Grant Contract billing purposes. If the district uses the Composite Rate method, current Composite Hourly Rate sheets for each employee must be on file at the Commission office. *(See Composite Hourly Rate - Appendix E)*

Invoice Voucher Support Form - Summary Page *(See Appendix F)*

The Summary Page gathers the totals of the various categories from the Detail Page. Once the totals are transferred, cash and in-kind expenses are totaled according to the step-by-step instructions to give the Total Grant Expenses.

The Grant Payment requested this period uses the worksheet calculation and instructions located on the back of the Summary Page. This amount is transferred to the State Form A19-1A.

Invoice Voucher - State Form A19-1A *(See Appendix G)*

The State Form A19-1A relates the amount of the current grant request to total previous payments and match, lets you know how much of the grant funds remain, and totals match to date. This form is the "cover sheet" of the payment request, and is required by

state regulations. This form can be produced only after the Detail Page and Summary Page have been completed.

Travel Expense Vouchers *(See Appendix H)*

Reimbursement of travel expenses must be made on a state Travel Expense Voucher (form A20-AE) or a form developed by the District that provides all of the same information that is included on the state form. Travel Expense Vouchers must be submitted with each grant reimbursement request if travel reimbursement is requested. At a minimum, travel voucher information must include:

1. District Name
2. Name of the traveler
3. Month/Year
4. Work Phone Number
5. Social Security Number
6. Regularly Scheduled Work Hours
7. Official Station
8. Official Residence
9. Trip Information
10. Per Diem
11. Motor Vehicle Information
12. Other Per Detail (i.e. parking fees, ferry tolls, taxi fares, etc.)
13. Grand Total
14. Amount Subject to Payroll Taxes
15. Less Travel Expense Advance
16. Detail of Other Expenses
17. Purpose of Trip
18. Signature of the traveler
19. An approval signature of either a board member or the District Manager

Employee Time Sheets *(Note: This is a new requirement)*

Time sheets must be submitted with each reimbursement request that includes employee time. Although the Commission does not require a strict or uniform format for time sheets, the following information must be included:

1. Employee's name
2. Time period covered
3. Hours worked on each grant, by objective
4. Sick leave, annual leave, holidays, and compensatory time taken
5. Signature of employee and date
6. Signature of supervisor and date

Individual Contributed Services Form (See Appendix I)

This form is used by individuals who contribute multiple hours to one or more tasks related to the grant project. This form can capture hours worked on the project @ \$18/hour as well as mileage contributed @ .31/mile. By completing and signing this form a dollar amount can be determined for the services that this individual contributed to the project.

Multi-Use Contributed Services Form (See Appendix J)

This form has multiple uses. It may be used by several individuals who contribute a single task, attend a single meeting, or contribute mileage related to the project. It may also be used to document the value of donated supplies, donated property, and loaned equipment or space.

Final Request for Payment The District must submit a final request for payment within forty-five (45) days after satisfactory completion of the Grant Contract. Only expenses incurred before the Expiration Date of the Grant Contract are eligible for reimbursement. The last payment will be processed only after all required reports have been received by the Commission.

Final Biennium Request for Payment The District must submit a request for payment at the end of a fiscal biennium (June 30 of all odd numbered years) within fifteen (15) days after the end of a fiscal biennium. Because of general state biennial close-out procedures, late submission may result in a significant delay in payment.

The District will require any subcontractors funded entirely, or in part, under the Grant Contract to meet the above requirements when submitting requests for reimbursement under the subcontract.

PART 4-C INITIAL PAYMENTS

Initial Payment is the payment of a portion of the grant made to the District after the Grant Contract is signed, but before actual grant-related expenses are incurred. An Initial Payment is intended to relieve "cash flow stress", especially for smaller districts with limited resources.

Two separate initial payments methods are available to Districts: *(See Appendix K)*

1. The District may request an Initial Payment equivalent to one month's worth of grant money (the maximum grant amount divided by the number of months of the project). Examples: (a) \$8,333 (\$200,000 divided by 24) for a two year grant project with a maximum grant amount of \$200,000. (b) \$3,333 (\$80,000 divided by 24) for a two year \$80,000 grant.
2. The District may request an Initial Payment equivalent to 50% of the grant amount (not to exceed \$100,000). If a District chooses to utilize the 50% Initial Payment option, the District is required to submit monthly vouchers that document how the Initial Payment is being spent beginning one month from receipt of the Initial Payment. The remaining grant amount will be paid out only after the monthly documentation of the required match and expenditures brings the initial payment and match requirement down to the one-month equivalent initial payment amount (see #1 above). At that point, the policy for the one-month equivalent initial payment applies.

Procedure A request for an Initial Payment must be made in writing by the District after the Grant Contract has been signed by both parties, and a copy is on file with the Commission.

Eligibility The Initial Payment under the Grant Contract is available at the option of the Commission only to Districts that have historically submitted complete, accurate, and timely expenditure and activity reports. The Initial Payment may not be used to support activities not allowable under the Grant Contract. If a District does not meet these requirements, the Commission may, with notice to the District, liquefy the initial payment against actual expenditures.

Reconciliation Against Match If the Grant Contract includes a Match Requirement, the District must document match in excess of cumulative reimbursement requests equal to the amount of match required for the initial payment at least two months prior to the termination date of the Grant Contract. If excess match is not documented, the initial payment will be liquidated against subsequent reimbursement requests submitted during the remainder of the project period.

Reconciliation Against Actual Expenditures The initial payment will be reconciled against actual expenditures at least two months prior to the termination date. If payments exceed actual expenditures, the District will submit a check for the overpayment to the Commission with the final financial report.

Payments Delayed Until Reports Received The last payment will be processed only after all required reports have been received by the Commission. Payments may be delayed until quarterly Reports of Accomplishment are received.

Initial Payments May Be Prohibited or Limited by Specific Grant Program Specific Grant Program's administered by the Commission may not have the Initial Payment option available. If you have a question about Initial Payments consult the Project Officer.

- ## APPENDIX E